

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7769**

**BILL NUMBER:** HB 1797

**NOTE PREPARED:** Feb 17, 2003

**BILL AMENDED:**

**SUBJECT:** Seed Arbitration Council.

**FIRST AUTHOR:** Rep. Chowning

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill states the duties and powers of the Indiana Seed Arbitration Council. Increases filing fees for arbitration by the Council. The bill requires parties to an arbitration to share equally the Council's investigation costs. The bill requires the Council to maintain trade secrets and other proprietary information as confidential. The bill provides other procedures under which the Council conducts arbitration. The bill authorizes the State Seed Commissioner to adopt administrative rules to supplement the arbitration procedures and to describe the conditions and circumstances under which arbitration is applicable. The bill repeals a Seed Arbitration Council statute that is superseded by the new procedures.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** This bill makes several changes to the operation and duties of the Seed Arbitration Council. If these changes encourage more parties to utilize the Seed Arbitration Council to resolve complaints between seed buyers and sellers, the workload of the Office of the Indiana State Commissioner (OISC) will increase. However, any additional expense incurred by the Commissioner's office or by the Council are expected to be covered by provisions in the bill. (See Explanation of State Revenues, below)

**Explanation of State Revenues:** This bill increases the filing fee for invoking arbitration from \$10 to \$100. Additionally, the bill specifies that seed suppliers and farmers seeking arbitration must each pay 50% of the estimated cost incurred by the Commissioner or the Commissioner's agents prior to the commencement of an investigation. The fee increase and the investigation cost provisions in the bill are expected to be sufficient to cover any expansion in the Commission's and Council's activities.

*Background Information on OISC Funding:* The Office of the Indiana Seed Commissioner is located at Purdue University and is primarily funded through regulatory fees charged to test and certify seeds. The Commission does not receive a direct appropriation from the state.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Indiana State Seed Commission

**Local Agencies Affected:**

**Information Sources:** Larry W. Nees, Seed Administrator, Office of the Indiana State Seed Commission, 765-494-1557

**Fiscal Analyst:** John Parkey, 317-232-9854